CITY OF BEVERLY HILLS
STAFF REPORT

Meeting Date: October 27, 2009

To: Honorable Mayor & City Council

From: Byron Pope, City Clerk

Subject: Ad Hoc Committee Recommendation for Legal Notices and Advertising

Attachments: None

INTRODUCTION

At the City Council Study Session on September 1, 2009, Mayor Krasne appointed Vice-Mayor Delshad and Councilmember Mirisch to the Ad Hoc Committee for legal notices and advertising. Since staff misinterpreted Council direction for implementing the contracts with The Beverly Hills Courier (Courier) and the Beverly Hills Weekly (Weekly) for this fiscal year, the committee was tasked with returning in eight weeks with a plan for the remainder of the fiscal year. In addition, the Ad Hoc Committee will assist staff with developing the bid document for the next bid in Fiscal Year 2010-2011.

DISCUSSION

The Ad Hoc Committee met with the City Clerk, City Attorney and Public Relations Manager on Monday evening, October 5, 2009. City Clerk Pope provided the results of his research on the bidding process for legal advertising in surrounding communities (West Hollywood, Culver City, Santa Monica and Glendale), as well as other California cities. He noted that no responding city in California requests bids on a cost-per-thousand basis; every City surveyed requests bids on a cost per column inch and/or cost per linear inch format.

City Clerk Pope provided contract information for both adjudicated newspapers for every year since 2003, when the Weekly first submitted a bid for legal advertising. Prior to 2003, The Courier's column inch pricing had increased from $7.25 per column inch in 1987 to $28.00 per column inch in 2002, a 386% increase over a period of 15 years. When the City secured the FY2003/2004 bids, the Courier's column inch price was $15.00 and the Weekly's column inch price was $6.00 (combined total of $21 per column inch – $7.00 less than the Courier's price in 2002). It was noted the Weekly's column inch equaled 2.5 inches, so in later years the bid document changed to request a legal square inch pricing.

In FY2003/2004, FY2004/2005 and FY2006/2007, the Council awarded the bid to the Weekly and contracted with the Courier. In FY2005/2006, FY2007/2008, FY2008/2009 and FY2009/2010, the Council awarded the bid to the Courier and also contracted with the Weekly. None of the contracts have language specifying exclusivity to the award bid winner.

Meeting Date: October 27, 2009

The Ad Hoc Committee recommends the following:

1. The City should continue to provide noticing and advertising in both adjudicated newspapers in the City of Beverly Hills in order to maximize the notice provided to the community.
2. The legal notice pricing with both newspapers should remain as bid and contracted with both newspapers for fiscal year 2009/2010.
3. The display advertising other than legal notices should be split into two additional tiers using the following formula: 2nd Tier pricing for ads intended to reach the entire City of Beverly Hills (businesses, residents and visitors) and 3rd Tier pricing for ads intended to reach a larger audience outside the boundaries of the City (IE. Farmer's Market, Affaire in the Gardens, Garden & Design Showcase at Greystone, etc.).
4. The Courier was awarded the bid and, as the bid winner, its pricing should be honored as submitted.
5. The Weekly was not awarded the bid and the contract price with the Weekly should reflect its smaller circulation. So, for ads targeted at 2nd Tier pricing should be 65% of the bid award winner.
6. For ads that target an audience that is wider than Beverly Hills, 3rd Tier pricing should be 50% of the bid award winner.

Based on this recommendation, the revised pricing charts would be:

TIER 1
Legal Advertising and Notices

Category	Beverly Hills Courier	Beverly Hills Weekly
Schedule of Rates / Legal Square inch		
Public notices up to page 5 with*	$11.10	$10.40
Public notices up to page 5 without**	$11.10	$10.40
Legal/classified ads with	$8.90	$10.00
Legal/classified ads without	$11.35	$10.00
Display advertising pages 1-5 with	$11.10	$12.40
Display advertising pages 1-5 without	$11.10	$12.40
Legal display advertising with	$8.90	$10.40
Legal display advertising without	$11.35	$10.40

* with = with digitally transmitted text
** without = without digitally transmitted text

TIER 2 (65%)
Advertising intended to reach the entire City of Beverly Hills

	Beverly Hills Courier	Beverly Hills Weekly (current)	Beverly Hills Weekly (Ad Hoc)
1/8 page	$310.00	$200.00	**$201.50**
1/4 page	$520.00	$400.00	**$338.00**
1/2 page	$1,010.00	$800.00	**$656.50**
Full page	$1,798.00	$1,600.00	**$1,168.70**

Meeting Date: October 27, 2009

TIER 3 (50%)
Advertising intended to reach an audience wider than the City of Beverly Hills

	Beverly Hills Courier	**Beverly Hills Weekly (current)**	**Beverly Hills Weekly (Ad Hoc)**
1/8 page	$310.00	$200.00	**$155.00**
1/4 page	$520.00	$400.00	**$260.00**
1/2 page	$1,010.00	$800.00	**$505.00**
Full page	$1,798.00	$1,600.00	**$899.00**

At the Ad Hoc Committee's direction, staff contacted the owners of The Courier and the Weekly and advised them of the recommendation, and invited them to the October 27th Study Session to be available to answer any questions of the Council.

FISCAL IMPACT

Staff has budgeted $60,794 for legal advertising and notices for FY 2009/2010. This dollar amount should cover the legal advertising and noticing needs based on the current pace of projects and items that are coming before the Council. Public Affairs has $48,000 budgeted for non-legal display advertising in FY2009/2010, and other individual departments also have budgets for marketing purposes (which include non-legal display advertising for FY 2009/2010). Based on past practice, the financial breakdown for fiscal year-end totals historically has split "approximately" 60% (Courier) and 40% (Weekly) each year since 2003. The new three-tiered pricing recommendation should result in a wider percentage split. Staff will monitor the invoices and report the financial breakdown in Spring 2010 during next year's bid process, and will embed the Council directive to have all bidders provide audited circulation numbers within the past twelve months in their bid proposals.

RECOMMENDATION

Staff seeks Council direction to implement the remaining Fiscal Year 2009/10 contracts with the Beverly Hills Courier and the Beverly Hills Weekly publications for the City's legal advertising, legal notices and all other City advertising needs.

Byron Pope BP
Approved By